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PEPSI-COLA COMPANY

Annual Report

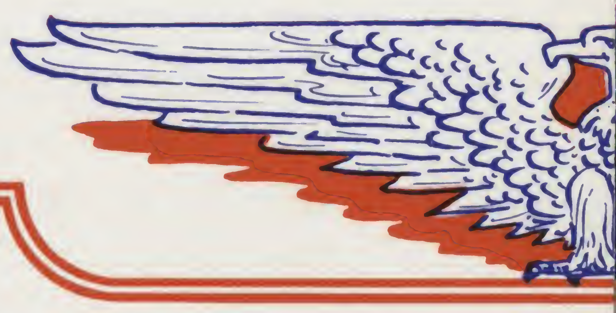
1943

ANNUAL REPORT

1943

PEPSI-COLA COMPANY

HONOR ★



EMPLOYEES OF THE MAIN OFFICE AND PLANTS NOW IN THE ARMED SERVICE

ABEL, L.
ADAM, JOSEPH
AGOSTA, T.
AIELLO, W.
ALBANESE, L.
ALTER, W.
ALVAREZ, A.
AMAROSA, M.
ANDERSON, G.
ANDERSON, P.
ANDINO, O.
ANDIORIO, A.
ANDREWS, M.
ANDRYSIAK, F.
ANGELUS, P.
ANSENBERGER, G.
ANTOZ, J.
ARBITELLO, R.
ARNOLD, W.
ASHCRAFT, T.
ASKIN, J.
ASKIN, R.
AUSTIN, HOMER
AUSTIN, HUGH

BADOLATO, A.
BAKER, T.
BAKEWICZ, V.
BALDWIN, C.
BALDWIN, R.
BANDERA, K.
BARBARITE, R.
BAREFOOT, C.
BARILLARI, B.
BARONE, P.
BARTHA, E.
BASS, M.
BECK, G.
BECKER, F.
BECKERMAN, B.
BEIL, M.
BELCHER, G.
BELLONTONI, R.
BENANTE, C.
BENNETT, W.
BERAN, S.
BERKOWITZ, A.
BLAKE, W.
BLAES, M.
BLAND, D.
BLUMENFELD, S.
BODEN, W.
BOFILL, D.
BONNER, C.
BOPP, H.
BOROZNA, A.
BOYEN, W.
BOYLE, F.
BRAMANTE, S.
BREEN, H.
BREHME, R.
BREIDER, A.
BRITTON, T.
BRONER, B.
BROWN, L.
BROWN, P.
BROWN, R.
BRUNS, F.
BRUNS, L.
BRUNO, M.
BUCHANAN, C.
BUCHHOLZ, E.

BURKE, W.
BUSCH, A.
BUSICHIO, P.
BUTIKIS, A.

CADLEY, M.
CALICIOTTI, S.
CAJOLET, M.
CANCELLIERI, J.
CARBONARO, J.
CARLEY, P.
CARR, E.
CARROLL, A.
CARTER, D.
CASEY, R.
CEA, P.
CHASE, W.
CHAVEZ, H.
CHERVEN, H.
CHOVANEC, L.
CHYTALO, D.
CIACCIO, E.
CICHOCKI, S.
CIESLAK, W.
CLEGG, B.
CLERICO, J.
COHEN, C.
COHEN, J.
COLOSURDO, N.
COLLINS, M.
COLYER, L.
COMBS, C.
CONKLIN, W.
CONNOLLY, E.
CORCOS, J.
CORREALE, P.
COSTELLO, L.
CRIVELLI, B.
CROWLEY, W.
CULLEN, W.
CUMMINGS, G.
CUNNINGHAM, A.
CUNNINGHAM, W.
CURL, J.

DANDERLINE, G.
DANEY, F.
DAVIS, J.
DECKER, F.
DE FILIPPIS, W.
DEGENER, H.
DEL BAGNO, P.
DE MAILLE, H.
DEMEO, R.
DEREN, G.
DEVINE, G.
DEVINE, W.
DIAZ, L.
DI BENEDETTO, A.
DI BELLA, F.
DI GIACOMO, R.
DIORIO, C.
DI PALMA, A.
DI SALVO, A.
DODD, J.
DOHERTY, W.
DOLCE, J.
DONNER, G.
DRAIN, H.
DRESCHER, A.
DROZDOWSKI, T.
DU BOIS, E.

DUDLEY, E.
DUKE, H.
DUNCAN, C.
DUNN, V.
DURSO, A.
DVORAK, E.

EARLY, W.
EDGERLY, R.
ELIA, D.
ELLIS, J.
ELLISON, E.
ERAMUS, S.
ERICKSON, E.
EVANS, W.
EVERS, F.

FAHEY, J.
FAIRCHILD, F.
FALLS, J.
FANELLI, N.
FARRELL, J.
FARRELL, R.
FERGEN, E.
FERRAZOLI, A.
FIGUEROA, F.
FISCHER, C.
FITZGERALD, C.
FITZSIMMONS, J.
FITZSIMMONS, R.
FLANNERY, R.
FLOYD, L.
FOLEY, G.
FRANKLIN, D.
FRASER, M.
FRAZIER, C.
FREEMAN, E.
FRIEDMAN, A.
FUHRMANN, J.
FUNICELLO, J.

GAA, K.
GADDIS, R.
GADDIS, J.
GADEL, A.
GILIARDI, A.
GAINFORT, H.
GALLUZZO, A.
GALLUZZO, E.
GASTIGER, C.
GEE, B.
GEHA, J.
GEMUENDT, F.
GEORGIANNA, F.
GERSTENMEIER, F.
GIARRAFFA, J.
GIGLIOTTI, F.
GILBERT, E.
GILDEA, R.
GILL, C.
GILLIS, J.
GLENN, N.
GLENNON, T.
GLOVAN, E.
GOEHNER, K.
GOODMAN, J.
GRANDAL, J.
GRANT, J.
GRANT, L.

GRASS, G.
GRECO, J.
GRIER, R.
GRISSON, K.
GRIFFIN, R.
GROCHOWSKI, A.
GROCHOWSKI, S.
GRUSZ, T.
GUEST, R.
GUILLORY, H.
GUMIN, B.
GUZOSKI, T.

HAHNER, J.
HAJDUCZYK, A.
HALAJIAN, S.
HANNA, F.
HANNON, J.
HARE, R.
HARLESS, H.
HARLEY, E.
HARMON, D.
HARRINGTON, J.
HARRIS, H.
HARRIS, L.
HARRISON, T.
HARVEY, R.
HASHER, C.
HAUSE, W.
HAYDEN, V.
HEAD, H.
HEADSPETH, A.
HEFFERNAN, J.
HEISELMAN, W.
HENZLER, B.
HERTZ, W.
HINCKLEY, G.
HINES, J.
HIPSCHMAN, J.
HOFFMAN, C.
HOFFMAN, R.
HOLLOWAY, J.
HOLMES, I.
HOLODNAK, H.
HOOPLE, H.
HOPSON, L.
HORBERT, G.
HOURIHAN, J.
HUGHES, R.
HUNT, J.
HUNTER, C.

IGNASIAK, W.
IGNERI, J.
IVY, R.
IWANOWSKI, J.
IWERSEN, E.

JACKSON, J.
JEROME, H.
JOHNSON, J. A.
JOHNSON, JOHN
JOHNSON, W.
JOHNSON, WM.
JOHNSTON, J. E.
JOHNSTON, J. P.
JONELUNAS, J.
JURIS, M.

KANE, P.
KAPLAN, M.
KAPLAN, S.
KARCHER, E.
KARKOTA, J.
KARWOSKI, F.
KAUFMAN, G.
KEADY, J.
KELLER, H.
KELLEY, R.
KELLY, P.
KELLY, V.
KENEALY, J. H.
KENNEALLY, J. W.
KENNEY, M.
KENNY, E.
KING, MARVIN
KING, McJAMES
KING, P.
KLUG, P.
KLUKIEWSKI, F.
KOCH, C.
KOJESZEWSKI, J.
KOONCE, R.
KOPHER, A.
KOSIKOWSKI, E.
KOSTER, J.
KOUBEK, G.
KOWALCZYK, J.
KRIEBEL, P.
KSZENINSKI, H.
KURTZ, R.
KUSLUCH, L.
KWIATKOWSKI, F.

LABIAN, W.
LACHNICK, W.
LA GASSE, R.
LAISO, S.
LANCHART, M.
LANGER, P.
LAPINSKAS, W.
LAVANCO, G.
LAX, J.
LAYER, G.
LEACOCK, R.
LEAHY, D.
LEHECKA, A.
LEHN, J.
LEKOS, P.
LEHN, T.
LENT, E.
LENTINO, M.
LE ROY, G.
LESEY, J.
LESSA, D.
LEWIS, G.
LEYDON, R.
LICONTI, C.
LINTHICUM, F.
LIPUMA, C.
LITTLE, P.
LITTLE, C.
LOCKE, R.
LODER, W.
LOFQUEST, R.
LOMBO, J.
LONGO, F.

★ ROLL

THIS DOES NOT INCLUDE ANY EMPLOYEES OF THE 484 FRANCHISE BOTTLERS

LOPEZ, S.
LUBMAN, M.
LUCAS, W.
LUPO, R.
LYONS, R.

McAVOY, J.
McCAFFREY, H.
McCAFFREY, J.
McCARTHY, J.
McCLAIN, L.
McCLELLAND, P.
McCLELLAND, F.
McELHOSE, R.
McLEAN, J.
McNUTT, J.
McCLURE, J.
McCOLLIGAN, J.
McDONNELL, J.
McGRATH, J.
McGURN, G.
McINTYRE, J.
McKENNA, F.
McMAHAN, R.
McMANUS, J.
McNAUGHTON, A.
McVEIGH, R.

MacDERMOTT, A.
MacDOUGALL, J.
MACHNICKI, J.
MADDEN, M.
MADEO, D.
MAGDALINSKI, M.
MAGDAR, P.
MAINS, D.
MAISEL, S.
MAIZELLO, F.
MALIBASHKA, W.
MANNING, J.
MARCHESE, G.
MARCOGLIESE, J.
MARIN, E.
MARINO, M.
MARQUARD, F.
MARTIN, FRANCIS
MARTIN, FRANK
MARTINAC, S.
MARX, M.
MASSONE, J.
MASTRANGELO, P.
MATTHEWS, L.
MAZUREK, V.
MAZZONI, A.
MEDER, E.
MEISEL, S.
MELVILLE, C.
MERCER, H.
MEUSSNER, E.
MEYER, R.
MICHINI, D.
MIECZKOWSKI, S.
MIGA, E.
MIHALICS, J.
MILCAREK, E.
MILLER, E.
MITCHELL, J.

MOFFA, J.
MOLL, E.
MONAGHAN, JAMES
MONAGHAN, JOHN
MONAGHAN, JOSEPH
MONTGOMERY, R.
MORGAN, P.
MORGAN, R.
MOORE, W.
MOTTERN, H.
MOYSELLO, A.
MRASEK, C.
MUENSCH, G.
MULLIN, J.
MURPHY, E.
MURPHY, J.
MURPHY, JAMES
MURPHY, JAMES E.
MURPHY, JAMES P.
MURRAY, G.

NAEDELE, S.
NAGY, J.
NAGY, M.
NANN, JAMES
NANN, JOSEPH
NAPOLITANO, J.
NASH, R.
NASTACHOWSKI, R.
NATALE, J.
NEWBERG, R.
NEWMAN, W.
NICHOLSON, J.
NIEDERMEYER, W.
NOONAN, H.
NORFO, A.
NOWICKI, F.
NOWLAND, H.

O'BRIEN, M.
O'BRIEN, T.
O'CONNOR, E.
O'KEEFE, R.
OLEWNICKI, J.
OLIVANT, W.
OLOCOSKI, J.
OLSON, C.
O'MARA, J.
ONUSKA, S.
ORTIZ, J.
OSTAPAK, M.
OSTERHOUDT, H.

PACZKOWSKI, J.
PAGE, A.
PALAIA, M.
PALEY, W.
PAUL, G.
PALUSKA, L.
PANZARDI, J.
*PAPPALARDO, A.
PAPPAS, P.
PARKER, G.
PARKS, J.
PAROLISE, L.
PEART, A.
PEDDLE, R.
PELES, C.

PELZ, M.
PEPEL, R.
PETERS, G.
*PETTINGILL, G.
PFEIFFER, W.
PHILLIPS, E.
PIERINI, G.
PIERSON, A.
PIERSON, J.
PIMPINELLA, A.
PINES, S.
PIOTROWSKI, H.
PISTONE, J.
PIZZOLATO, V.
PODLESSKI, V.
PODZEBA, H.
POLIT, J.
POLITOWSKI, C.
POLLARI, S.
PONDER, R.
POOLE, J.
POTTER, H.
POWERS, W.
PRESS, W.
PRESTON, J.
PRIBULA, J.
PRINCE, O.
PRINDAVILLE, T.
PULEIO, V.
PUSATERE, F.
PYDUCK, D.

QUACKENBUSH, R.
QUARANTO, A.
QUIGLEY, P.
QUIGLEY, R.
QUINN, D.
QWANOWSKI, J.

RAFFERTY, J.
RAMSEY, W.
RAU, G.
RAY, H.
RAYMOND, J.
RAZZIS, V.
REIDY, M.
REINHEIMER, C.
RENO, R.
RHODES, W.
RICCIARDI, J.
RICHTER, T.
RIDDLE, C.
RIDDLE, H.
RIED, R.
RIMKEVICZ, C.
RITCHEY, S.
RIVIEZZO, L.
RIZZO, F.
ROBB, W.
ROBERTSON, J.
ROBINSON, E.
ROBINSON, J.
ROCCHI, A.
ROCK, H.
RODRIGUEZ, F.
ROGERS, C
ROLAND, C.
ROSELLI, P.
ROWCROFT, W.
ROWE, R.

ROSENBAUM, L.
RUPPERT, T.
RUSK, B.
RUSSIAN, J.

SACCO, R.
SACHSE, M.
SADLOWSKI, S.
SCARANGELLA, J.
SCHACHTEL, A.
SCHAEFER, EDMUND
SCHNEIDER, A.
SCHLENTER, R.
SCHEN, O.
SCHMIDT, O.
SCHMITT, F.
SCHMITT, G.
SCHNEIDER, A.
SCHNEIDER, H.
SCHULTZ, H.
SCIARRATTA, S.
SCOFF, A.
SEABOLDT, L.
SEIDEL, G.
SEIDMAN, A.
SERVAN, N.
SHAPIRO, R.
SHEA, S.
SHIELDS, D.
SIEBERT, G.
SIELAND, B.
SILVIO, C.
SKACAN, J.
SKACAN, T.
SKEDEL, E.
SKEDEL, H.
SKORUSZEWSKI, H.
SMIGIEL, F.
SMITH, S.
SMITH, W.
SMYTH, J.
SNELL, J.
SNYDER, R.
SOJKA, R.
SOKOLSKY, J.
SORENSON, W.
SORRENTINO, F.
SPANGENBERG, G.
SPARACINO, S.
SPEZIO, J.
STALEY, H.
STANKOWITZ, E.
STANTON, J.
STASIK, M.
STEARNS, J.
STEINMAKER, P.
STOTLAK, J.
STRAITMAN, F.
STROKOFF, A.
STRUHAR, F.
STURM, H.
SUHRBIER, R.
SULICK, A.
SULLIVAN, R.
SUTHERLAND, A.
SWEENEY, F.

TABACINSKI, C.
TAPLER, J.
TERDICH, H.
TEVERE, A.
THOMAS, G.

THOMAS, R.
THOMPSON, R.
TINNARD, F.
TITONE, S.
TITTEL, H.
TOLSTIK, A.
TOTH, S.
TROEGNER, W.
TUMOLO, J.

USAK, L.

VADDR, N.
VAN VALKENBURG, H.
VALROSA, A.
VAUGHN, J.
VELOZA, G.
VESCI, S.
VERDIROME, S.
VERSTEEG, W.
VIGILANTE, J.
VINCENT, C.
VITALE, L.
VOGEL, B.
VOLZ, C.
VON FRANZKE, P.

WADE, J.
WAGGONER, J.
WALICKI, ED.
WALICKI, T.
WALKER, J.
WALSTRUM, E.
WALSH, E.
WALTERS, W.
WARD, H.
WARD, J.
WASHA, C.
WEISS, J.
WELLS, S.
WELLS, W.
WETHERILL, W.
WHITE, R.
WHITLEY, D.
WILLETT, M.
WILLIAMS, A.
WILSON, S.
WIOCH, T.
WISNIEWSKI, S.
WITHERSPOON, R.
WITSKOWSKI, E.
WOLF, H.
WOOD, M.
WORRELL, T.
WORTH, T.
WULLEN, W.

YESS, J.
YOUNG, E.
YOUNG, E. J.

ZAGURSKI, W.
ZANO, P.
ZAVATONE, J.
ZENKEWICH, J.
ZINKAND, W.
ZIPAY, JOHN
ZIPAY, JOSEPH
ZUCHOWSKI, T.
ZUCHOWSKI, W.
ZUCCARO, R.
ZWOLAK, J.

*MISSING IN ACTION.

1943 ANNUAL REPORT
PEPSI-COLA COMPANY

March 21, 1944

To the Stockholders:

I am pleased to be able to report further progress in the affairs of your Company. The year 1943 was a year full of restrictions, with raw material shortages and government regulations. Within this framework industry had to operate. It was a year that required constant alertness in order to be able to adjust rapidly to changing conditions and to supply the demand for Pepsi-Cola as far as possible. It was also a year of rising costs and higher prices. In spite of that fact, Pepsi-Cola has in no way changed its high standard of quality, its full size quantity or its established retail price of 5¢.

FINANCIAL REVIEW

There is presented herewith a review of the operations of your Company and Subsidiaries for the year 1943, together with a Consolidated Balance Sheet at December 31, 1943, and a summary of Consolidated Income and Earned Surplus for the year then ended, certified by Haskins & Sells, independent certified public accountants.

NET INCOME AFTER ALL TAXES

After providing for taxes including income and excess profits taxes in the United States and foreign countries and figuring on the basis of the excess profits tax base heretofore deemed applicable in the United States, the net income of the Company for the year 1943 was $6,441,518.36 or approximately $3.36 per share on the present outstanding capital stock. This compares with $6,274,775.76 or approximately $3.30 per share for the year 1942 on the outstanding capital stock at December 31, 1942.

As you were advised in our Annual Report of 1942, the Company has made an application for a constructive average base period net income, for excess profits tax purposes under the provision of Section 722 of the Internal Revenue Code, the so-called special relief section adopted in the the Revenue Act of 1942.

It is, of course, impossible at this time to appraise the probable results of this application. Accordingly, for the purpose of this report, the excess profits tax base for the year 1943 has been computed in accordance with the Revenue Act now

in effect without regard to Section 722. The above figures do not include any profits from the Pepsi-Cola Company, Ltd., London, England, a wholly owned subsidiary. It is estimated that the operation in England will show a profit of approximately $75,000 for the year but inasmuch as there are restrictions on exchange and various war limitations on capital in England, no part of this profit has been included in this report.

OPERATING NET PROFIT

The consolidated operating net profit, after all charges and expenses but before deductions of reserves for the United States and Foreign income and excess profits taxes, for the year of 1943 was $12,615,734 as compared with $14,775,732 for the year 1942. While the consolidated gross profit from sales in 1943 increased over the previous year, there was a decrease in the net profit before taxes. This decrease was due to a number of factors. The principal factor was the rationing of sugar which of necessity reduced sales in the United States in the year 1943. While this sales-decrease was more than made up by sales in Mexico by our subsidiary, Mexican-American Flavors Company, the nature of this Mexican operation was such as to involve far greater operating costs including, during the year 1943, approximately $2,400,000 for United States Customs Duties and, in addition, high transportation charges. Other factors contributing to the decrease in net profit before taxes were the increased costs of raw materials and of doing business under war time conditions.

Below will be found a continuation of the table of comparison which we have published in past annual reports of the operating net profit of the old Pepsi-Cola Company and its subsidiaries for the year 1936 through 1940 and for the present Pepsi-Cola Company since that date. The table below is based on net profits after deducting all charges and expenses but before the deduction of reserves for United States and Foreign Income and Excess Profits Taxes.

1936	$ 2,083,597.57
1937	3,224,625.72
1938	4,027,513.92
1939	5,952,602.39
1940	8,520,582.31
1941	14,908,224.10
1942	14,775,732.14
1943	12,615,734.47

OPERATIONS DURING 1943

During the year 1943 there were many governmental regulations and restrictions, presenting problems to be met and solved. The demand for Pepsi-Cola was greater than could be filled by the Company and its franchised bottlers, under these conditions.

Sugar:

During the year 1943 sugar, which is one of the principal ingredients in most soft drinks, was rationed at a figure somewhere between 70% and 80%, as an average, of the amount used by each industrial user in the year 1941. This method of rationing brought great hardship to industrial users who had only recently gone into business or who had only recently started to grow under new management. Thus all were frozen alike at their 1941 level with the advantage to the old, long established companies which had already grown and had a large volume of business in the base year of 1941. The new and younger franchise bottlers of Pepsi-Cola Company would have been adversely effected by such an inadequate sugar supply.

Foreseeing this rationing of sugar, Pepsi-Cola Company organized under the laws of Mexico a wholly owned subsidiary, Mexican-American Flavors Company, S.A., which bought surplus sugar in Mexico, manufactured it in Mexico into a beverage syrup, and exported that syrup to bottlers in the United States. Since that syrup was manufactured in Mexico, from surplus Mexican sugar, the bottlers who received it in the United States were not required under the rationing order to count it as part of their sugar quota. It was in addition to their quota, and in many instances it greatly aided those new and smaller bottlers whose business in 1941 had not been large enough to give them an adequate sugar base.

The surplus Mexican sugar, which in beverage syrup form was thus imported to the United States, could not have been made available to the people of the United States except by first processing it in Mexico into some sugar product, such as the beverage syrup, because under Mexican Law the export of sugar from Mexico was forbidden. Accordingly, if Mexican-American Flavors Company had not taken the steps it did, this surplus Mexican sugar would have remained in Mexico.

All of these steps were taken with the full knowledge and consent of all interested governmental agencies in the United States; and the surplus sugar in Mexico was purchased under a contract with the Union Nacional de Productores de Azucar, (the Mexican Association of Sugar Producers), which operates under the supervision of the Mexican Government itself. All of the steps, which resulted in making available to the people of the United States this additional sweetening they otherwise would not have had, were in complete accord with both the letter and the spirit of the sugar rationing order in the United States. The rationing of sugar in the United States was for the purpose of rationing the supply available to the United States, and made no attempt to ration sugar products sent in from countries, such as Mexico, in which the United States Government did not buy sugar.

An order has recently been announced by the United States Government which makes it impossible to continue the operations of the Mexican-American Flavors Company after May 1st, 1944. That company will, in all probability, be liquidated, therefore, during this year. It is the hope of the management that with considerable improvement in shipping from Cuba and Puerto Rico due to the control of the German submarines and the availability of more ships, and with the large crop of Cuban sugar this year, the sugar supplies within the United States will become greater as the year progresses.

Acquisition of Sugar Plantation, Mill and Refinery in Cuba:

Sugar being one of the basic ingredients in Pepsi-Cola, it has been felt for some time that the Company's business in years ahead would be better if it safeguarded its source of raw material by owning a sugar plantation of adequate size, fully equipped with mill and refinery, in a country where the costs of production were low and proximity to the United States made shipping feasible. Accordingly, your Company has recently purchased and now owns Compania Ingenios Azucareros Matanzas, S.A. (Matanzas Sugar Estates, Inc.), a sugar plantation in Matanzas Province, Cuba. This plantation consists of approximately 77,000 acres of sugar land, over 56,000 acres of which are owned outright and some 20,000 acres held under lease. The plantation owns its own sugar mill, a sugar refinery with a capacity of approximately 110,000 tons per year, warehouse and storage facilities for some 40,000 tons of sugar; and storage tanks with a capacity of approximately 3,500,000 gallons. There is also on the plantation a railroad system of some eighty miles of standard gauge track with railroad stock, other equipment and rights of way adequate for the operation of the plant, including nine locomotives and some 350 steel cars for carrying the sugar. Approximately 30,000 people live on this property. The plantation owns its own schools and general stores, its own hotel and air field.

A few pictures of the property can be seen on the following page.

This sugar property for years has shown a profit and your Officers and Directors believe that this is a wise and advantageous addition to your Company. It puts your Company in the position not only of owning the source of one of its most important raw materials but also of being able to import from Cuba, under ordinary conditions when restrictions and limitations are removed, either raw sugar to be refined in its own refinery in Long Island City or refined sugar refined in its own plantation and refinery in Cuba or both, whichever is the more economical. It is of interest to note that the Pepsi-Cola Company is the only company in the soft drink industry that owns its own refinery in the U. S. and refines its own sugar.

Crowns:

The metal for crowns was limited by government regulations to black iron sheets instead of tin coated sheets as in normal times and in addition, the number of sheets was limited to approximately 70% of the tonnage used in 1941. The acceptance of this quantity restriction would have limited the bottling industry to 70% of the volume of business done in 1941. This was a very unsatisfactory limitation for Pepsi-Cola. The Company, therefore, immediately devised a method of collecting used crowns, sterilizing, reforming and recoating them and inserting new cork disks. Plants were established for this purpose throughout the United States and your Company pioneered in the reconditioning of used crowns which can be used without quantity restriction with the result that what otherwise would have been a serious limitation on Pepsi-Cola's business was practically eliminated.

Recently Acquired Sugar Plantation
Central Espania, Cuba

SUGAR WAREHOUSE

LOCOMOTIVE REPAIR SHOP

SUGAR MILL

EMPLOYEES' CLUB HOUSE and SWIMMING POOL

Transportation:

The year 1943 had serious transportation problems for all industrial manufacturers whose product was distributed largely in trucks, because of the shortage of gasoline and tires. Many of our bottlers used ingenuity in solving these problems by curtailing their deliveries and service from every day to two to three times a week and delivering larger quantities of Pepsi-Cola. This, of course, was an additional burden both on the retail stores and on the consumer but it is heartening to note the spirit of cooperation on the part of both the retail grocer and the housewife during this period.

In some instances new and different methods of transportation were tried and found to work satisfactorily. The parent Company having its main plant on the East River in Long Island City devised a barge and tug boat system of delivery for the New York metropolitan area. During the warm summer months these barges could be seen on the Hudson and East Rivers being towed by coal burning tugs and delivering their daily quotas of Pepsi-Cola for the consumer throughout New York City.

Introduction of Pepsi-Cola at the Soda Fountain:

Your Company started to develop the sale of Pepsi-Cola at soda fountains throughout the United States in 1943. A Fountain Department was organized, a Pepsi-Cola standard glass developed and advertising material and operations started. This operation was begun at a difficult time, war time restrictions making the purchase of new fountain equipment impossible. In spite of these difficulties Pepsi-Cola has been introduced at the fountain in the year 1943 in about 50% of the franchised territories in the United States and it is hoped that in the coming year the balance of the country can be started.

Pepsi-Cola fountain syrup has met with much success in the territories in which it is being served. The consumer public has rapidly taken to the big ten ounce glass of Pepsi-Cola for 5¢. This department is still young and working under difficult war time regulations and restrictions but it is hoped that once the war is over and machinery and equipment can again be purchased, Pepsi-Cola will take its deserved place on the fountains throughout the United States as it is doing with the bottle in the homes.

United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 78th CONGRESS, FIRST SESSION

Vol. 89 WASHINGTON, TUESDAY, OCTOBER 26, 1943 *No. 160*

House of Representatives

Assistance to Members of the Armed Forces While on Furlough

EXTENSION OF REMARKS

OF

HON. ROBERT F. JONES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 26, 1943

Mr. JONES. Mr. Speaker, among the unpleasant and untrue rumors being spread by Axis propaganda, in order to lower the morale and create disgruntled feeling among our boys in the armed forces and their families, are rumors to the effect that the public, especially in big cities, is utterly indifferent to the boys' welfare. That when the boys are on furlough in big centers of population, I think it is time that it be pointed out that on the contrary, the public at large, the volunteer organizations, and private industry have stepped in and done a wonderful job in this respect in generally holding out the hand of friendship through providing places, comforts, conveniences, by giving, at private expense, facilities and conveniences that the Government cannot provide for men on furlough. Right here the War Hospitality Committee and Recreation Services, Inc., with all its affiliated groups, the W. M. C. A.'s, the U. S. O.'s, the churches, the Red Cross, and other organizations have taken over and remodeled entire buildings and thrown them open for the free use of servicemen. One organization alone, the Pepsi-Cola Co., has donated and maintains completely at its own expense a large center here in Washington, D. C., at Thirteenth and G Streets, as well as two similar centers on Times Square in New York City and at Mason and Market Streets in San Francisco where 7,000,000 servicemen a year are taken care of.

While the operating staff—bus boys, dishwashers, and so on—are paid by the company for this work, it is the women of the community who help keep the centers going, and also other centers like the Stage Door Canteen, and so forth, by volunteering hours of their time every week to act as hostesses to the boys. They serve them hamburgers and soft drinks, mend their socks, sew on loose buttons, play the piano and sing with them, play checkers and card games or just talk, and keep the boys from getting homesick.

I maintain that our people have given thoughtful consideration and wise action to the problem of the servicemen on furlough, and that this side of the story should be brought out rather than the harmful tales to the contrary.

PEPSI-COLA TIMES SQUARE SERVICE MEN'S CENTER

PEPSI-COLA'S WAR WORK

SERVICE CENTERS:

As reported to you previously, the Company has established three large Centers for the men and women in the Armed Forces of the United Nations. Here the enlisted men can check their luggage, receive information, have a free shower and shave and use facilities for writing home. Lounge rooms provide games, magazines, piano, radio, etc., and a canteen is operated, where food at very low prices can be bought with Pepsi-Cola free of charge. These Centers are located at the following places:

A. In the heart of Times Square at the corner of 47th Street and Broadway, New York City. A picture of this Canteen can be seen in this report.

B. In the center of Washington, D. C., at the corner of 13th and G Streets.

C. In the center of San Francisco at the corner of Mason and Market Streets.

It is estimated that in excess of 8,000,000 enlisted men and women have passed through these canteens and made use of their facilities during the year 1943. These canteens have been most enthusiastically endorsed not only by the Army and Navy and enlisted personnel but by all others who have seen them function. Only recently a prominent Congressman from the West made a speech in Congress about the work that the Pepsi-Cola Company is doing for the enlisted men and women in these canteens and his speech was made a part of the Congressional Record.

VOICE LETTERS FOR THE ARMED FORCES:

The Company has established in many camps and hospitals throughout the Country recording equipment and personnel so that men and women in the Armed Forces can send a message home to their loved ones by the spoken word. These voice recordings on phonograph records provide a permanent message which can be played over and over again while they are away. This has been done in over 179 camps and hospitals throughout the country in the year 1943 and over 800,000 voice records have been mailed to the Service Men's homes. This service is provided for the Armed Forces by your Company without any cost to these men and each record carries the message that it is sent with the compliments of the Pepsi-Cola Company. The Company has received hundreds of letters from mothers and sweethearts of the enlisted men gratefully thanking the Company for this service and in many cases stating that it was the last spoken words which they would hear until their sons return.

MANUFACTURING FACILITIES:

The Company is manufacturing in its East River Plant in Long Island City, boxes and cases of various sizes for the shipment of war materials to the Armed Forces overseas. It is running this equipment night and day to get the maximum out of its facilities for the war.

Fountain Pepsi-Cola Meets Ready Acceptance

PEPSI-COLA AT SODA FOUNTAIN
People's Drug Store, Washington, D. C.

SODA FOUNTAIN WINDOW DISPLAY
Woolworth Store, 39th St. & 5th Ave., New York City

Friendly Visits From Two Latin American Neighbors

PRESIDENT OF REPUBLIC OF MEXICO
Pepsi-Cola in Mexico
President Camacho 2nd from left, Governor Salinas 3rd from left

PRESIDENT OF REPUBLIC OF CUBA

President Batista Republic of Cuba — Mayor LaGuardia of New York — Walter S. Mack, Jr. President Pepsi-Cola C

DEVELOPMENT OF FOREIGN MARKETS

The Company has already begun the development of its foreign markets in a number of countries. At the present time, Pepsi-Cola is being bottled in the following countries:

Alaska	Haiti
Aruba, N.W.I.	Hawaii
Bahamas	Honduras
Bermuda	Iceland
British Guiana	Jamaica
Canada	Mexico
Costa Rica	Newfoundland
Cuba	Panama
Curacao, N.W.I.	Peru
Dominican Republic	Puerto Rico
El Salvador	St. Lucia
England	Venezuela
Guatemala	Virgin Islands

Wherever introduced Pepsi-Cola has met with a great reception. For example, in 1943 franchised territories were opened up in Mexico. A large and well equipped plant was established in Mexico City, by the local franchise bottler, with facilities which they thought were adequate for growth for years to come. Within three months they had outgrown their capacity, and plans for the building of two additional plants in this franchised territory are now under way. The program for the opening of foreign markets is being retarded considerably by the war-time restrictions on bottling machinery and equipment, which must be exported from the United States, and by the current lack of shipping facilities. Progress in this field will, of course, be slow until the war is over, but even under existing conditions some progress should be made.

CARE AND WELFARE OF EMPLOYEES

Your Company has built an enthusiastic and hard working group of business executives and employees. They have carried on their work with great loyalty to your Company and in many instances had to take over additional duties due to our large loss of manpower as you can see from the Honor Roll on the front page of this report.

The Officers and Directors felt that it would be advantageous both for the employees and for the Company to provide these people with some security in their old age, their younger years having thus been devoted to the work of your Company, and in addition to provide them at once with as much health, accident and sickness insurance as practical.

PENSION PLAN:

For that reason a Pension and Death Benefit Program for all employees was put into effect in 1943. I will not attempt to give the full details of the plan in this report. However, I would like to point out briefly a few of its most important elements and phases:

I. The plan covers all employees of the Pepsi-Cola Company and its domestic subsidiaries in the United States, including all plants owned by the Company, its office staff and field men. It does not cover the employees of the franchise bottlers.

II. The plan provides that after an employee remains with the Company until retirement age which is sixty for women and sixty-five for men, their years from then on will be provided for with a fixed income which is entirely independent of and is in addition to any payments which they may receive under the Federal Security Act.

III. In case of death before retirement age is reached, the family of the employee will receive a sum equal to twice the amount of the deceased's earnings in his last year, with a top death limit.

IV. The benefit plan has been established with one of the foremost Life Insurance Companies, the John Hancock Mutual Life Insurance Company of Boston, and payments will be made directly to the employees from the Insurance Company.

V. In the plan, it is provided that the Company hopes that this plan will be permanent but necessarily reserved the right to change, modify or terminate its future operation at any time in order to meet changing conditions.

ACCIDENT, SICKNESS AND HOSPITAL INSURANCE:

The Company, in addition, has made available to all employees for themselves and for their dependents, a plan of accident and sickness and hospital reimbursement benefits, which plan is underwritten by the Equitable Life Assurance Society of the United States. The plan is on a cooperative basis whereby employees and the Company share in the cost. All employees are eligible for this insurance upon the completion of two months employment with the Company.

SCHOLARSHIP PLAN:

It has been the policy of the Company to try and help all employees develop themselves as far as possible and to make promotions wherever practical from within the organization. With this in mind the Company has set aside a special fund and offers to those employees who can qualify, the opportunity of obtaining instruction in whatever business course they may desire which will help them improve their position within the Company. This course of study must be taken at a recognized school at a time which will not interfere with regular working hours. All employees of the Company and of its wholly owned subsidiaries within the United States who have been employed by the Company for six months or more are eligible to apply. The fund which has been set aside for this purpose is administered by the Scholarship Committee which passes on all applications and supervises the results obtained from such scholarship efforts.

The Company believes that this rounds out a very full and progressive policy for the welfare of all employees. It believes that these steps will prove of great value to all employees and their families in the years ahead as well as of great benefit to the Company in the future in providing for the welfare of a loyal group of employees with every incentive to remain with the Company and work diligently. In addition, the future welfare and retirement of employees are provided for each year out of current earnings, and will not require the expenditure of large sums necessary for old age retirement in future years.

POST WAR PLANS

The Company has set up a separate department for post war development. A great many new as well as enlarged plants will have to be built by our franchise bottlers to keep pace with the increased demand for Pepsi-Cola in their territories. This work cannot, of course, be started until the war is over and new machinery and equipment is available. In order to assist these Bottlers an Engineering Department has been established in conjunction with our Service Department with practical engineers and architects whose services are available to all of the franchise bottlers.

In addition, a Research Department has been set up to study the use of and to test materials, metals and plastics developed during the war as well as to plan the future growth and constant economies in the operations of the entire company. Many new experiments are being tried and tested during this period, so that the Company can be prepared to make the necessary changes and improvements as soon as the war is over and facilities and equipment are available.

While the growth of your Company has been somewhat retarded and delayed by the restrictions and regulations necessary under a full wartime economy, many ideas and plans are being tested and programs developed so that when these restrictions are removed the Company will be prepared to continue its growth and service to the community.

The Company looks forward to a further strengthening of its position in the industry in the year 1944 and will continue to endeavor to keep its organization, its plans and programs in such mobile shape that as soon as the war emergency is over, it can go into peace time production and schedules without much delay and little or no necessity for reconversion.

Respectfully submitted,

Walter S. Mack, Jr.
President

PEPSI-COLA COMPANY

(Incorporated in Delaware)

AND SUBSIDIARIES

(Other Than The British Subsidiary)

CONSOLIDATED BALANCE SHEET, DECEMBER 31, 1943

ASSETS

CURRENT ASSETS:		
Cash on hand and demand deposits		$ 5,837,132.87
Notes and accounts receivable:		
Notes receivable	$ 129,998.95	
Accounts receivable:		
Customers	720,912.73	
Other	470,628.49	
Total	$1,321,540.17	
Less reserve for doubtful receivables	121,296.50	1,200,243.67
United States and Canadian Government obligations (at cost)		1,224,144.31
Inventories — see Note 1:		
Finished and in-process	$1,500,377.68	
Raw materials and supplies	4,607,265.28	6,107,642.96
Raw materials loaned to others (at average cost)		786,910.35
Total current assets		$15,156,074.16
INVESTMENTS AND MISCELLANEOUS ASSETS:		
Special deposits on future equipment purchases	$ 221,980.00	
Investment in and advances to wholly-owned British subsidiary (less reserve) (see Note 2)	115,529.99	
Notes and accounts receivable — not current (less reserve)	234,103.81	
Real estate mortgage receivable	390,000.00	
Post-war refund of United States and Canada excess profits taxes (estimated)	978,166.24	
Other (less reserve)	231,002.28	
Total investments and miscellaneous assets		2,170,782.32
PROPERTY, PLANT, AND EQUIPMENT:		
Land, buildings, equipment, leasehold improvements, etc. — at cost (less reserve for depreciation and amortization, $3,125,835.10)	$8,498,525.53	
Bottles, cases, and barrels on hand and with trade (valued generally below cost at amounts determined by officials of the companies)	1,824,573.70	
Total property, plant, and equipment (net)		10,323,099.23
DEFERRED DEBIT ITEMS:		
Prepaid insurance and taxes	$ 704,887.97	
Advertising materials and expenses, etc.	367,188.33	
Expenses applicable to 1944 sugar crop in Cuba	277,988.92	
Other	144,124.87	
Total deferred debit items		1,494,190.09
TRADE-MARKS, FORMULAS AND GOODWILL (at nominal value)		1.00
TOTAL		$29,144,146.80

PEPSI-COLA COMPANY

(Incorporated in Delaware)

AND SUBSIDIARIES

(Other Than The British Subsidiary)

CONSOLIDATED BALANCE SHEET, DECEMBER 31, 1943

LIABILITIES

Current Liabilities:			
Accounts payable and accrued		$3,211,426.82	
Accrued taxes — estimated (see Note 3):			
United States and foreign income and excess profits taxes	$6,432,878.81		
Less United States Treasury tax notes	3,246,725.00	3,186,153.81	
Other taxes		1,007,094.35	
Portion of payments chargeable to general reserve estimated to be payable within one year (see below)		184,000.00	
Settlement and service contract payable		26,500.04	
Total current liabilities (exclusive of customers' deposits on bottles, cases and barrels as stated in next item below)			$ 7,615,175.02
Customers' Deposits on Bottles, Cases, and Barrels			1,182,658.35
Deferred Liabilities:			
Settlement and service contract payable, less portion payable within one year shown as a current liability		$ 132,500.00	
Liens (Censos) on certain properties in Cuba		134,129.21	
Total deferred liabilities			266,629.21
Reserves:			
General Reserve (for contingent liabilities existing at July 31, 1939, for rentals on leases in excess of fair rental values as of that date, and for losses on settlement of such leases) — (less $184,000.00 estimated to be payable within one year shown as a current liability) — see Note 4		$ 840,479.56	
Reserve for contingent taxes, losses, etc. (see Note 5)		2,867,119.81	
Total reserves			3,707,599.37
Capital Stock and Surplus:			
Capital stock — Authorized 2,500,000 shares of $1.00 each; issued and outstanding 1,917,553.19 shares (including 218.60 shares in Treasury — see below)		$ 1,917,553.19	
Capital surplus		4,766,701.06	
Earned surplus (since August 1, 1939)		9,698,580.60	
Total		$16,382,834.85	
Less treasury stock (218.60 shares, at cost)		10,750.00	16,372,084.85

Notes 1 to 5 on the next pages following are an integral part of this balance sheet.

Total	$29,144,146.80

PEPSI-COLA COMPANY AND SUBSIDIARIES

(Other Than The British Subsidiary)

NOTES TO CONSOLIDATED BALANCE SHEET

DECEMBER 31, 1943

1. The inventories are stated on the basis of average cost which at December 31, 1943 was not in excess of market. In accordance with the accounting procedures followed by the companies, raw materials and supplies are charged to manufacturing and other expenses on the basis of average purchase cost (and cost of goods sold is computed on the basis of the average manufacturing costs) without recognition in the income account of any market declines since such declines are ordinarily without effect upon the stabilized sales prices of their products. Where any such market declines are of material amount, however, it is the practice to provide a reserve therefor out of surplus for the purpose of conservative treatment in the balance sheet.

2. Foreign subsidiaries:

The current assets and liabilities and the total assets and liabilities of foreign subsidiaries included in the consolidated balance sheet at December 31, 1943, are as follows:

	Current		*Total*	
	Assets	*Liabilities*	*Assets*	*Liabilities*
Canadian subsidiary	$ 792,875	$ 345,894	$1,386,073	$ 349,371
Cuban subsidiaries	1,021,446	361,089	4,410,930	529,652
Mexican subsidiaries	4,336,664	1,114,645	4,876,449	2,197,326

The assets and liabilities of these subsidiaries are included in the consolidated balance sheet on the following basis: the current assets and liabilities of the Canadian subsidiary have been converted into United States dollars at the Canadian official rate of exchange at December 31, 1943, and those of the Cuban and Mexican subsidiaries at the current rate of exchange at December 31, 1943; their other assets and liabilities have been included at amounts which reflect their United States dollar equivalent at the time of acquisition or origin.

The entire capital stock of Matanzas Sugar Estates, Inc., a Cuban company owning and operating a sugar plantation, mill and refinery, was acquired on December 4, 1943. The assets and liabilities of this company are included in the consolidated balance sheet at December 31, 1943.

The assets and liabilities of the British subsidiary have not been included in the consolidated balance sheet inasmuch as conditions prevailing in Europe make it impossible to estimate what the ultimate effect will be upon the property and business interests of this subsidiary. The investment in and advances to this subsidiary, $115,529.99 (after deducting the reserve), represent approximately the net equity in this subsidiary as of December 31, 1940. An increase in such net equity as a result of profits subsequent to 1940 of approximately $205,000 has not been reflected in the investment account for the same reason given above for not including this subsidiary in the consolidation.

3. The accrual of United States income and excess-profits taxes has been made on a basis deemed to be conservative for purposes of the financial statements at December 31, 1943, and may or may not prove to be excessive depending upon the ultimate determination of the appropriate excess-profits credits to which the companies are entitled in computing their excess-profits tax. In addition to other undetermined matters, the Company has applied for an increase in the excess-profits credits under the relief provisions of the 1942 Revenue Act. No information has been received from the Treasury Department as to what action, if any, has been taken with respect to the application, and any possible relief in this connection has not been considered in computing the tax liability.

4. In 1939 a general reserve in the amount of $3,000,000.00 was provided for known and unknown contingent liabilities existing at July 31, 1939, for rentals on leases of former Loft stores in excess of the approximate fair rental values as of that date of the premises covered by such leases, and for losses on settlement of such leases. As of July 31, 1940, based upon a review of the then known contingent liabilities and leasehold commitments, the Board of Directors increased the general reserve by a transfer thereto of $1,489,831.90 from capital surplus. Charges to the reserve from August 1, 1939 to December 31, 1943 amounted to $3,465,352.34, as shown below:

August 1, 1939 to December 31, 1942	$3,240,044.78
Year 1943	225,307.56
Total	$3,465,352.34

It is estimated that approximately $184,000 of the balance of $1,024,479.56 remaining in the reserve at December 31, 1943 may be applied within one year subsequent thereto, and therefore has been classified in the balance sheet as a current liability.

Known contingent liabilities as of December 31, 1943 against which this general reserve has been provided, include the following undetermined matters:

(a) The amount by which the rentals called for by leases in existence at July 31, 1939, or lump-payment settlements of certain such leases, will exceed the future income from subleases on the respective leased premises.

(b) An undetermined amount of attorneys' fees and expenses in connection with the matters referred to in this Note.

5. In addition to the contingent liabilities mentioned under Note 4, the Treasury Department has proposed an additional assessment of Federal Income Taxes for the year 1941, but the Company does not admit the liability and intends to contest the alleged deficiency. A reserve for the proposed additional tax together with certain other reserves for contingent taxes, etc., heretofore included under current liabilities in the balance sheet have been reclassified, and at December 31, 1943 are included in the reserve for contingent taxes, losses, etc.

PEPSI-COLA COMPANY AND SUBSIDIARIES

(Other Than The British Subsidiary)

SUMMARY OF CONSOLIDATED INCOME AND EARNED SURPLUS FOR THE YEAR ENDED DECEMBER 31, 1943

Gross Profit on Sales		$30,492,734.88
Advertising, Selling, Shipping, General and Administrative Expenses		17,831,432.67
Profit From Operations		$12,661,302.21
Other Income		158,565.10
Gross Income		$12,819,867.31
Income Charges		204,132.84
Net Income Before Deducting Provisions for Income Taxes		$12,615,734.47
Provisions for Income Taxes — Estimated (See balance sheet Notes 3 and 5):		
United States normal income and surtaxes	$2,295,800.00	
United States excess profits taxes (less post-war refund of $328,470.00)	2,840,230.00	
Provision for contingent taxes	750,000.00	
Foreign taxes	288,186.11	6,174,216.11
Net Income		$ 6,441,518.36
Earned Surplus, January 1, 1943		8,002,799.24
Total		$14,444,317.60
Dividends Paid:		
Cash — $2.00 a share (paid as follows: April 20, 50 cents; July 20, 50 cents; October 22, 50 cents; December 20, 50 cents)	$3,796,587.50	
Stock — See Note 2 below	949,149.50	4,745,737.00
Earned Surplus, December 31, 1943		$ 9,698,580.60

Notes:

1. The net income of subsidiaries in Canada, Cuba, and Mexico amounting to $1,668,148.42 is included in the above consolidated net income. The operations of Matanzas Sugar Estates, Inc., and its subsidiary have been included only for the period since date of acquisition (see balance sheet Note 2). The British subsidiary, whose income amounted to approximately $75,000 for the year 1943, is not included in the consolidation.

   The income and expenses of the Canadian subsidiary have been converted into United States dollars at the official rate of exchange, and those of the Cuban and Mexican subsidiaries at the approximate average rate of exchange, except as to the provision for depreciation which has been converted for all of the companies at rates prevailing at time of acquisition of the related assets.

2. The amount charged to earned surplus with respect to the stock dividend paid represents $50 a share on 18,982.99 shares issued, such per share amount being the value determined by the Board of Directors. Of the total amount charged to earned surplus, $18,982.99, representing the par value of the shares issued, was credited to the capital stock account and the remainder, $930,166.51, was credited to capital surplus.

3. The provision for depreciation charged to manufacturing and other expense accounts for the year 1943 amounted to $731,652.78.

HASKINS & SELLS
CERTIFIED PUBLIC ACCOUNTANTS

67 BROAD STREET
NEW YORK

ACCOUNTANTS' CERTIFICATE

Pepsi-Cola Company:

We have examined the consolidated balance sheet of Pepsi-Cola Company and its subsidiaries (other than the British subsidiary) as of December 31, 1943 and the related summary of consolidated income and earned surplus for the year ended that date, have reviewed the accounting procedures of the companies (other than the Canadian subsidiary), and have examined or tested the accounting records and other evidence in support of such financial statements. Our examination was made in accordance with generally accepted auditing standards applicable in the circumstances and included all auditing procedures we considered necessary, which procedures were applied by tests to the extent we deemed appropriate in view of the systems of internal control. As to the Canadian subsidiary, we have examined a report of chartered accountants, and the figures included in the accompanying statements with respect to this subsidiary are derived from such report. The total assets of this subsidiary amount to approximately 5% of the consolidated total, and its gross profit on sales and net income for the year were approximately 4% and 8%, respectively, of the consolidated totals. The accounts of the British subsidiary have been examined by us for the year 1943, but have not been included in the consolidated statements as explained in Note 2 to the consolidated balance sheet.

In our opinion, which as to the Canadian subsidiary is based upon the report of other accountants as above mentioned, the accompanying consolidated balance sheet and the related summary of consolidated income and earned surplus, with the footnotes thereon, fairly present the financial condition of the companies at December 31, 1943, and the results of their operations for the year ended that date, in conformity with generally accepted accounting principles and practices applied on a basis consistent with that of the preceding year.

Haskins & Sells.

New York,
March 20, 1944.

DIRECTORS

James W. Carkner	Walter S. Mack, Jr.
Walter W. Colpitts	Herman Shulman
Edward A. Le Roy, Jr.	Herbert M. Singer
Harral S. Tenney	Arthur T. Vanderbilt

OFFICERS

Walter S. Mack, Jr.	*President*
John P. Clarkin	*Vice-President*
William B. Forsythe	*Vice-President*
Talbot O. Freeman	*Vice-President*
George M. O'Neil	*Vice-President*
J. Willard Pipes	*Vice-President*
Milward W. Martin	*Secretary*
Joseph A. Murphy	*Treasurer*
Thomas E. O'Callaghan	*Asst. Secretary*
Ruth W. Juergensen	*Asst. Secretary*
Walter W. Masters	*Asst. Treasurer*

AUDITORS

Haskins & Sells
Certified Public Accountants

TRANSFER AGENT

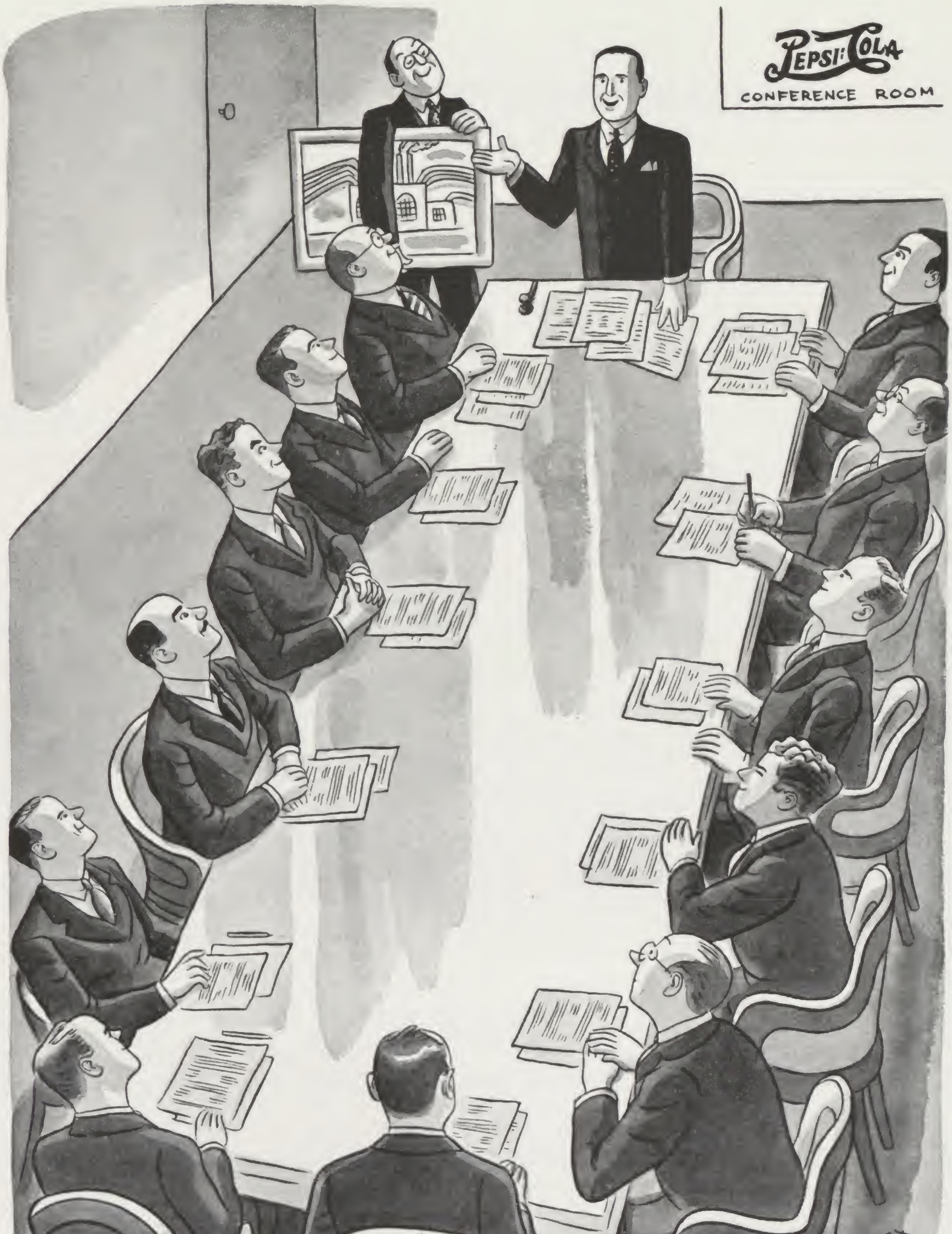
The Marine Midland Trust Company of New York
New York, N. Y.

REGISTRAR

The Chase National Bank of the City of New York
New York, N. Y.

GENERAL OFFICE

47-51 33rd Street, Long Island City 1, N. Y.



"This gentleman has the idea to pipe Pepsi-Cola directly through the city water system to save bottle caps."

THIS ENTIRE REPORT WAS LAID OUT
AND PRINTED IN THE COMPANY'S OWN SHOP


"WONDER CAN WE GET PEPSI·COLA IN BERLIN !"